

Home Buying 101 Follow Up Report

I am writing this report today as a follow up towards my last report on Home Buying 101, which is a book by Jon Gory that explains the process of buying a home in simpler terms. In this report I am going to build upon my explanations about state housing finance agencies. In my last report I discussed state housing finance agencies in New York and Mississippi. I am going to explain about state housing agencies in this report for the states of Connecticut, **Massachusetts** and Vermont. I am primarily going to focus on down payment assistance, as well as align it to an appropriate home value from either Zillow or Realtor.

Connecticut

According to the Connecticut State Housing Finance Authority, they offer a down payment assistance program loan, for down payment assistance up to \$15,000. The criteria the homebuyer needs to meet is: Eligibility Requirements

- You must first apply and qualify for a CHFA mortgage from a [CHFA- Participating Lender](#).
- An eligible borrower must show his or her ability to repay the CHFA first mortgage and the DAP loan in order to qualify for assistance under this program.
- Loan amount will be equal to 4.00% of: (i.) the sales price or, (ii.) the appraised value, whichever is less.

After carefully reviewing realtor.com, most sellers want 20% for down payment and 4% for the closing costs, this being said so many times, I found out that 15,000 is 24% of \$62,500. So the home value I would need to look at would be within \$62,500. According to a search from Realtor.com and Zillow Greenwich, CT

seems to be out of the question because the home values being in the upper 400k towards the millions. I did look into further upstate CT, towards Torrington and found that a couple foreclosure homes seemed to meet the price range.

Massachusetts

According to Mass Housing, the state's housing finance agency, they are willing to provide up to \$30,000 in down payment assistance to qualified homebuyers. The criteria the homebuyer needs to meet is: To be eligible for Down Payment Assistance from MassHousing, you must

- Be an income-eligible first-time homebuyer
- Purchase a single-family home, condominium, or 2-, 3- or 4-family property that will be your primary residence
- Pair Down Payment Assistance with an affordable MassHousing Mortgage loan to purchase your home

They offer the following information as well:

Option 1 DPA is an interest-free deferred payment second mortgage loan, which means that no payments are due until the property is sold, refinanced, or the first mortgage loan is paid off, at which time, the entire balance is due.

Option 2 DPA is a 15-year amortizing second mortgage loan at a fixed 2% rate of interest (APR 2%), which means that the borrower makes monthly payments of principal and interest for 15 years on this second loan, in addition to the monthly payments on their first mortgage loan.

I need to find a home value within the budget of \$125,000 within Massachusetts, in order to use all of down payment assistance.